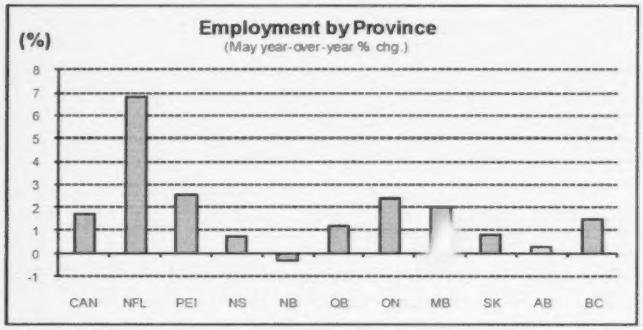
Labour Markets

Alberta records impressive job gain in May…

Employment in Alberta rose by 14,700 in May, following a gain of 10,000 jobs in April. Job gains in May were entirely in full-time positions, which rose by 30,000, the strongest monthly gain since June 2006. Meanwhile, part-time employment declined by 15,200. The strong gain in jobs lowered the unemployment rate in Alberta by 0.8% percentage points to 6.6% in May. Alberta has regained the third lowest unemployment rate among provinces, behind only Saskatchewan (5.0%) and Manitoba (5.7%), and lower than the Canadian average of 8.1%. For the first time since February 2009, employment in Alberta was higher on a year-over-year basis in May 2010 (0.3%).



After a strong gain in April, Canadian employment grew by 24,700 in May. Gains were entirely in full-time jobs (67,300), while part-time jobs declined (-42,500). The national unemployment rate was unchanged at 8.1%, as employment gains were offset by an increase in the labour force. The fact that most of the job gains in May were in the private sector (43,400) suggests that Canada's recovery is gaining strength.

Building Permits

Value up from March…

The value of building permits issued in Alberta increased 11.3% in April (seasonally adjusted) from the previous month. Compared to a year ago, the value of building permits in April was up 23.5%, as the increase in residential permits (63.0%) more than offset the decline in non-residential permits (-6.8%). Nationally, building permits were up 5.4% from the previous month and 48.2% higher than April 2009.

Canadian GDP

Strongest growth in over a decade…

The Canadian economy expanded by a higher-than-expected 6.1% (annualized rate) in the first quarter of 2010, marking the third consecutive quarter of growth. This impressive advance in real GDP was driven by strong gains in consumer spending (4.4%) and residential investment (23.6%). Another encouraging sign was the pick-up in business investment of 0.9%, following a 9.8% decline in the previous quarter. Personal income (2.2%) and corporate profits (39.1%) also recorded solid gains. With this strong first quarter reading, real GDP is now only 0.5% lower from pre-recession levels.

Canadian Dollar (US¢/C$)	
June 4, 2010	95.09
May 28, 2010	95.25
2010-11 YTD	97.69
WTI Oil US$/bbl	
June 3, 2010	$ 74.61
May 27, 2010	$ 74.55
2010-11 YTD	$ 79.06
Nymex Natural Gas C$/MMBtu *	
Near-month Contract	
June 4, 2010	$ 4.98
May 28, 2010	$ 4.57

*Estimate based on Nymex Futures Market Price

Monetary Policy

Normalization of interest rates begin…

Following a strong GDP report for the first quarter and a generally improving economy, the Bank of Canada began the process of normalizing interest rates with a 25 basis point hike on June 1, 2010. This move was widely expected and brought the overnight rate to 0.50%, which remains highly accommodative. With elevated risks and uncertainties, a greater degree of caution was observed in the Bank's statement. The Bank will carefully pace the monetary tightening cycle and may not hike rates at each meeting as was expected prior to the European debt crisis.

U.S. Employment

Job gains fail to meet market expectations…

US payroll employment rose by 431,000 in May, driven largely by the temporary census hiring, which added 411,000 jobs. Private sector hiring remained weak, adding only 41,000 jobs in May. The US unemployment rate dropped modestly to 9.7% in May from 9.9% in April. Much of this decline was due to a decrease in the labour force (-322,000) and underscores how slowly the US labour market recovery is likely to proceed. Following the disappointing employment report, equity and commodity markets were sharply down today.

Current Economic Indicators

	2008	2009	2010YTD*	Dec	Jan	Feb	Mar	Apr	May
Population									
Population[1] (000's) (level)	3,596	3,688	3,708	--	3,712	--	--	--	--
% change	2.4	2.6	2.1	--	1.9	--	--	--	--
Net Interprovincial Migraton[1] (level)	15,317	23,006	-5,315	--	-2,780	--	--	--	--
Net International Migration[1] (level)	20,039	20,074	12,696	--	4,720	--	--	--	--
Net Non-permanent Residents[1] (level)	18,536	19,058	1,014	--	-1,425	--	--	--	--
Labour Market									
Employment (000's) NEW!	2,013	1,988	1,981	1,995	1,988	1,973	1,969	1,979	1,994
% change	2.8	-1.3	-0.7	-1.0	-1.6	-1.0	-1.0	-0.4	0.3
Unemployment Rate (%) NEW!	3.6	6.6	7.0	6.6	6.6	6.9	7.5	7.4	6.6
Participation Rate (%)	74.7	74.3	73.2	73.8	73.4	73.0	73.2	73.4	73.2
Average Weekly Earnings ($)	923.21	950.13	982.62	949.32	963.38	985.99	998.49	--	--
% change	6.0	2.9	2.5	0.2	1.6	2.1	3.6	--	--
Price Indices									
Consumer Price Index	3.1	-0.1	1.3	0.6	1.7	1.0	1.0	1.6	--
Excluding food and energy	2.1	1.4	1.1	0.7	1.1	1.3	0.8	1.4	--
Non-Res. Const. Cost Index[2] (quarterly)	13.2	-9.8	-5.0	-11.2	--	--	-5.0	--	--
Farm Product Price Index	11.5	-11.3*	--	--	--	--	--	--	--
Crops	26.7	-22.9*	--	--	--	--	--	--	--
Livestock	2.1	-0.8*	--	--	--	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	30.6	27.6	24.2	28.3	34.1	35.7	--
% change	-39.6	-31.6	130.3	54.2	55.1	139.8	166.4	176.7	--
New Housing Price Index	0.7	-9.0	-1.7	-6.3	-3.6	-1.4	-0.2	--	--
Edmonton	1.0	-11.2	-4.1	-9.4	-6.5	-3.3	-2.4	--	--
Calgary	0.6	-6.7	0.6	-3.1	-0.6	0.4	2.0	--	--
MLS Average Resale Prices ($ 000's)	351.4	340.5	352.9	355.5	344.3	348.2	357.9	361.2	--
% change	-1.5	-3.1	7.4	7.5	6.4	5.1	10.3	7.7	--
Edmonton	330.8	319.1	332.3	333.4	322.7	327.6	341.4	337.3	--
% change	-2.0	-3.5	5.3	2.6	-0.7	2.6	11.0	8.7	--
Calgary	401.1	384.3	394.9	400.3	386.4	395.1	398.2	400.1	--
% change	-2.9	-4.2	6.5	8.8	5.5	5.2	9.0	6.4	--
Retail Sales[3]	0.2	-8.3	6.3	1.9	1.0	6.6	11.2	--	--
New Motor Vehicle Sales	-7.3	-21.7	11.1	2.7	-4.8	24.0	15.4	--	--
Consumer Bankruptcies	6,066	9,986	1321	634	684	637	--	--	--
% change	27.2	64.6	-5.8	4.6	-1.7	-9.8	--	--	--
Business Sector									
Rigs Drilling	236	128	193	227	287	339	219	62	56
% change	-2.1	-45.6	41.5	-3.8	9.3	42.3	103.5	51.9	76.4
Goods Exports (customs based)	34.6	-37.3	13.7*	-14.1	--	--	18.5	--	--
Energy	42.5	-41.4	25.8*	-12.4	--	--	32.8	--	--
Agriculture	32.0	-10.2	-17.8*	-24.9	--	--	-9.6	--	--
Total Farm Cash Receipts (quarterly)	17.2	-8.1	-17.3	--	--	--	-17.3	--	--
Manufacturing Shipments	7.0	-21.6	5.0	-3.5	-0.3	3.9	11.2	--	--
Wholesale Trade[4]	9.5	-15.9	-2.7	-13.7	-12.2	-2.1	5.8	--	--
Building Permits	-16.5	-14.2	38.3	57.0	32.1	69.1	41.4	23.5	--
Residential NEW!	-31.5	-11.8	104.1	57.1	156.4	172.1	91.3	63.0	--
Non-residential	3.7	-16.3	-6.6	56.9	-25.9	4.3	2.0	-6.8	--
Business Bankruptcies	447	405	57	32	27	30	--	--	--
% change	-0.4	-9.4	-31.3	6.7	-30.8	-31.8	--	--	--

Government of Alberta ■
Finance and Enterprise

Alberta

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] Average of Calgary and Edmonton

[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province